

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36,
OF HARRIS COUNTY, TEXAS**

Minutes of Meeting of Board of Directors
February 8, 2024

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 36, of Harris County, Texas (the "District"), convened in regular session, open to the public, on February 8, 2024, at 12:00 noon, at 1300 Post Oak Boulevard, Suite 2500, Houston, Texas, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Chris Mayeu, President
Gina Angulo, Vice President
Steve Mathias, Secretary
Rose Mary Bundscho, Assistant Secretary
Mark Carter, Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also present were Rahi Patel of Municipal Accounts & Consulting, L.P. ("MAC"); Chris Davy of Ad Valorem Appraisals, Inc. ("Ad Valorem"); Ryan Vaughan of Municipal Operations & Consulting, Inc. ("MOC"); Eric Johnson and Andrea Garza of IDS Engineering Group ("IDS"); and Eric Lai and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order and declared it open for such business as might regularly come before it.

PUBLIC COMMENT

There were no comments received from the public.

MINUTES OF MEETING

The Board considered approval of the minutes of its meeting held on January 11, 2024. After review of the draft minutes were presented, Director Angulo moved that the minutes of the meeting held on January 11, 2024, be approved as revised. Director Bundscho seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Patel presented to and reviewed with the Board a Bookkeeper's Report dated February 8, 2024, including checks presented for payment, a copy of which is attached hereto as **Exhibit A**. Mr. Patel additionally presented to and reviewed with the Board a Quarterly Investment Inventory Report ("Investment Report"), prepared by MAC, for the reporting period ended December 31, 2023, a copy of which is included in the Bookkeeper's Report. Director Mayeu next reported that, as previously authorized by the Board, MAC investigated

opportunities to transfer a portion of the District's assets currently held in a money market fund with Texas Class into certificates of deposit ("CD") and determined that none of the banks authorized to engage in investment transactions with the District were offering an interest rate of 5.25% or higher and, accordingly, none of the District's funds have been transferred to CDs since the last Board meeting. Following discussion, the Board requested that MAC reinvestigate to confirm whether any of the banks authorized to engage in investment transactions with the District are currently offering an interest rate of 5.25% or higher. It was then moved by Director Angulo, seconded by Director Bundscho, and unanimously carried, that: (i) the Bookkeeper's Report be approved and the disbursements identified therein be approved for payment; and (ii) the Investment Report be approved and the District's Investment Officer be authorized to execute same on behalf of the Board and the District.

CONTINUING DISCLOSURE REPORT

Mr. Lai advised the Board that the agenda item relative to the approval of a continuing disclosure report is unnecessary, as the District has no outstanding debt and such report is not required.

TAX ASSESSOR-COLLECTOR'S REPORT

Mr. Davy presented to and reviewed with the Board a written Tax Collector's Report regarding tax collections within the District for the period January 1, 2024 through January 31, 2024, including a list of bills and charges to be paid out of the District's Tax Account, a copy of which is attached hereto as **Exhibit B**. Following discussion, Director Angulo moved that the Tax Collector's Report and the disbursements reflected therein be approved, as presented. The motion was seconded by Director Bundscho and unanimously carried.

DELINQUENT TAX COLLECTIONS REPORT

Mr. Lai advised that a Delinquent Tax Report was not received this month from the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins, & Mott, L.L.P. ("Perdue"). He stated that the next quarterly report will be provided in March.

OPERATIONS REPORT

Mr. Vaughan presented to and reviewed with the Board a written Operations Report for the month of December 2023, a copy of which is attached hereto as **Exhibit C**. He reported that the District's water accountability for the month of December 2023 was 93%. Mr. Vaughan next requested that MOC be given authorization to write off one (1) account in the amount of \$214.84 as uncollectible.

Mr. Lai next advised the Board that the District previously adopted a Water Conservation Plan ("WCP") and that, pursuant to Title 30, Section 288.30 of the Texas Administrative Code, it may be required to review and revise its WCP, as applicable, by May 1, 2024, and every five (5) years thereafter. Mr. Lai requested that the Board consider authorizing MOC and SPH to review the District's WCP and, if necessary, prepare an updated WCP for the Board's review and approval.

Mr. Lai then discussed with the Board the requirements of Title 30, Section 288.30 of the Texas Administrative Code for retail public water suppliers such as the District to review and, if appropriate, revise their Drought Contingency Plan ("DCP") not later than May 1, 2024, and every five years thereafter. Mr. Lai requested that the Board consider authorizing MOC and SPH to review the District's DCP and, if necessary, to prepare an updated DCP for the Board's review and approval.

After discussion, Director Angulo moved that: (i) MOC be authorized to write off one (1) account totaling \$214.84, as described on the uncollectible account list attached to the Operations Report; and (ii) MOC and SPH be authorized to proceed with the review and update of the WCP and DCP, as necessary. Director Bundscho seconded the motion, which carried unanimously.

ENGINEER'S REPORT

The Board next considered the Engineer's Report. In connection therewith, Mr. Johnson presented to and reviewed with the Board a written Engineer's Report dated February 8, 2024, concerning engineering projects within the District, a copy of which is attached hereto as **Exhibit D**. Following review and discussion, it was noted that no action was required by the Board in connection with the Engineer's Report.

ANNUAL REVIEW OF SURVEY OF WAGE RATE SCALES AND ADOPTION OF RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS

The Board considered the review of an annual survey of prevailing wage rates for construction projects and the adoption of a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects (the "Wage Rate Resolution") in connection therewith. In that regard, Mr. Lai reported that SPH and IDS are recommending that the District adopt the applicable United States Department of Labor ("DOL") wage rate scales, as permitted under Section 2258.022 of the Texas Government Code. After discussion on the matter, Director Angulo moved that the applicable DOL wage rate scales be adopted as the District's prevailing wage rate scale for construction projects, and that the Wage Rate Resolution attached hereto as **Exhibit E**, be adopted by the Board. Director Bundscho seconded said motion, which unanimously carried.

ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2024 TAX YEAR

Mr. Lai next addressed the Board concerning the tax rate adoption procedures for special districts implemented under Senate Bill 2. Mr. Lai noted that the procedures applicable to a particular district will depend, in part, upon whether it is determined to be a "Developed District" under Texas Water Code Section 49.23602. Mr. Lai then presented to and reviewed with the Board a questionnaire completed by the District's engineer to assist the Board in making this determination. Following discussion, upon motion made by Director Angulo, seconded by Director Bundscho, and unanimously carried, the Resolution Concerning Developed District

Status for the Tax Year 2024, attached hereto as **Exhibit F**, determining that the District shall not be considered a Developed District, was adopted by the Board.

REPORT ON THE DISTRICT'S GENERATOR

With regard to the District's participation in the demand response portion Acclaim Energy/PowerSecure GenMax Program (the "GenMax Program"), Director Mayeu noted that the District has not received any further payments for the operation of the District's generator at its Water Plant since receipt of a check from PowerSecure in August 2023 in the amount of \$26,774.50 for settlement of the District's missed generator revenue from performance during Winter Storm Uri. After discussion, the Board concurred with Director Mayeu's recommendation that SPH communicate with John Elder regarding the matter.

DEVELOPER REPORT

The Board deferred discussion of the Developer Report, as no developer was present at the meeting.

RENEWAL OF DISTRICT'S INSURANCE COVERAGES AND AUTHORIZE SOLICITATION OF PROPOSALS FOR SAME

The Board considered the renewal of the District's insurance coverages. In that regard, Mr. Lai presented to and reviewed with the Board a renewal proposal received from the District's current insurance carrier, Arthur J. Gallagher & Co. ("Gallagher"), a copy of which is attached hereto as **Exhibit G**. Following discussion of the insurance proposal submitted by Gallagher, Director Angulo moved to approve said proposal for the District's Property, Boiler and Machinery, General Liability/Hired & Non-Owned Auto, Pollution Liability, Umbrella Liability, Directors and Officers, Public Employee Blanket Crime, Business Travel Accident, Tax Assessor-Collector Bond, and Directors Bond insurance policies. Director Bundscho seconded said motion, which carried unanimously.

MATTERS RELATED TO MAY 4, 2024 DIRECTORS ELECTION

The Board next considered matters related to the Directors Election to be held May 4, 2024. In connection therewith, Mr. Lai reported advised that he had no updates regarding said Election at this time.

ATTORNEY'S REPORT

The Board considered the attorney's report. In connection therewith, Mr. Lai advised that he had nothing further of a legal nature to discuss with the Board at this time.

CLOSED SESSION

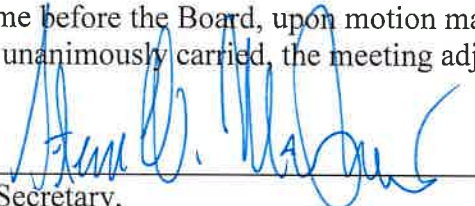
The Board determined that it was not necessary to enter into Closed Session.

FUTURE AGENDA ITEMS

The Board next considered items for placement on future agendas and scheduling of future meetings. Except as may be reflected above, there were no additional agenda items requested other than routine, and ongoing matters.

ADJOURNMENT

There being no further business to come before the Board, upon motion made by Director Angulo, seconded by Director Bundscho and unanimously carried, the meeting adjourned.


Secretary,
Board of Directors

(SEAL)

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**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36,
OF HARRIS COUNTY, TEXAS**

February 8, 2024

LIST OF ATTACHMENTS

- Exhibit A: Bookkeeper's Report; Quarterly Investment Report
- Exhibit B: Tax Assessor-Collector Report
- Exhibit C: Operations Report
- Exhibit D: Engineer's Report
- Exhibit E: Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
- Exhibit F: Resolution Concerning Developed District Status for the Tax Year 2024
- Exhibit G: Accepted Insurance Proposal

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